

## **2009 DRAFTING REQUEST**

### **Bill**

Received: **12/18/2009**

Received By: **tkuczens**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Wirch (608) 267-8979**

By/Representing: **Michael Tierney**

This file may be shown to any legislator: **NO**

Drafter: **tkuczens**

May Contact:

Addl. Drafters:

Subject: **Occupational Reg. - prof lic**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Wirch@legis.wisconsin.gov**

Carbon copy (CC:) to: **tracy.kuczenski@legis.wisconsin.gov**

---

### **Pre Topic:**

No specific pre topic given

---

### **Topic:**

Changes to regulations governing professional employer organizations

---

### **Instructions:**

See attached

---

### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/P1	tkuczens 01/05/2010	bkraft 01/06/2010	rschluet 01/07/2010	_____	sbasford 01/07/2010		
	tkuczens 01/20/2010	bkraft 01/21/2010		_____			
/P2	tkuczens 01/26/2010	bkraft 01/26/2010	mduchek 01/22/2010	_____	sbasford 01/22/2010		
/1			rschluet	_____	mbarman	cduerst	

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			01/27/2010 _____		01/27/2010	01/27/2010	

FE Sent For:

*None*

&lt;END&gt;

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<END>

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Carbon copy (CC:) to: **tracy.kuczenski@legis.wisconsin.gov**

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Changes to regulations governing professional employer organizations

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	tkuczens	bkraft		_____			
	01/20/2010	01/21/2010		_____			
/P2			mduchek	_____	sbasford		
			01/22/2010	_____	01/22/2010		

1 bjk 1/26

*[Handwritten signature]*

FE Sent For:

<END>

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Carbon copy (CC:) to: **tracy.kuczenski@legis.wisconsin.gov**

## **Pre Topic:**

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## **Topic:**

Changes to regulations governing professional employer organizations

## **Instructions:**

See attached

## **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
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FE Sent For:	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div> <p>/P2 bjk 1/21</p> <p>mel 1/21</p> </div> <div> <p>Rs</p> <p>1 2 1</p> <p>&lt;END&gt;</p> </div> </div>						

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**Topic:**

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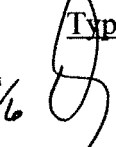
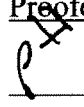
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**Instructions:**

See attached

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/?	tkuczens	/P1 bjk 1/6					

FE Sent For:

<END>



## Kuczenski, Tracy

---

**From:** Tierney, Michael  
**Sent:** Wednesday, December 16, 2009 2:17 PM  
**To:** Kuczenski, Tracy  
**Subject:** Drafting request

**Attachments:** 20091216141445247.pdf

Hi Tracy –

Please find attached a drafting request related to professional employer organizations.

If you have questions, please feel free to speak with Jason Childress or Adam Peer.

Adam can be reached at (703) 739-8179, Jason can be reached at (608) 258-4468.

Thank you.

Mike Tierney  
Office of Senator Wirch

*217-609 cell*

*L.M. 12/28/09*

*t. conf. 12/30 w/ Adam Peer (see comments) in pencil  
talk to Adam before Jason in policy question.*



2009121614144524  
7.pdf (194 KB)...

Suggested Revisions to

Chapter 461 – Professional Employer Organizations (WI Stats.)

Detailed

Intent: To modify chapter 461 (WI Stats.) to:

1. Name the chapter the "Wisconsin Professional Employer Organization Act".
2. Clarify that a PEO is not a "temporary help agency" as defined in s. 102.01(2)(f) or a "temporary help company" as defined in s. 108.02(24m) or similar entity or person.
3. Rename "limited registration", "small operations" to avoid confusion with similar term.
4. Clarify what an applicant for a small operations registration (currently, limited registration) must file (see 7 also to correct a cross-reference).
5. Direct the department to maintain a list of registered PEOs that is readily available to the public.
6. Clarify that tax credits and economic benefits *offered by local government* also belong to the client.
7. Clarify that credits, mandated expenditures, etc. by the state or local government on a per capital basis shall be determined at the client-level.
8. Correct cross-reference (language not included, see revisor's footnote in chapter 461)

✓ Section 1: 461.02(7) of the statutes as affected by 2009 Wisconsin Act 29 is created to read:

(7) This chapter may be referred to as the "Wisconsin Professional Employer Organization Act".

✓ Section 2: <sup>461.01(5)</sup>~~461.02(5)~~ of the statutes as affected by 2009 Wisconsin Act 29 is amended to read:

(5) "Professional employer organization" means a person that is engaged in the business of entering into written contracts for the provision of the nontemporary, ongoing employee workforce of a client and providing services under those contracts and that under those contracts has the obligation to pay the employees providing services for those clients from its own accounts, regardless of whether the person uses the term "professional employer organization," "PEO," "staff leasing company," "registered staff leasing company," "employee leasing company," or "administrative employer," or uses any other name, as part of the person's business name or to describe the person's business. A professional employer

organization is not a "temporary help <sup>agency</sup> company" as defined in s. 102.01(2)(f)<sup>1</sup> or a "temporary help company" as defined in s. 108.02(24m)<sup>2</sup>.

Section 3: 461.02(5) of the statutes as affected by 2009 Wisconsin Act 29 is amended to read:

✓ (5) SMALL OPERATIONS REGISTRATION. (a) Except as provided in sub. (7) (b), a professional employer organization or professional employer group that is domiciled outside this state, that is registered or licensed as a professional employer organization or professional employer group in another state, that does not maintain an office in this state or directly solicit clients that are located or domiciled in this state, and that has no more than 50 employees performing services for clients in this state on any given day may apply for small operations registration under this section by filing with the department a small operations registration form prescribed by the department and paying the initial credential fee determined by the department under s. 440.03 (9) (a). An applicant that is seeking limited registration shall provide the department with information and documentation showing that the applicant meets the qualifications specified in this paragraph for small operations registration. (b) Except as provided in sub. (7) (b), a professional employer organization or professional employer group seeking small operations registration that has employees performing services for clients in this state on July 1, 2009, shall register with the department as provided in sub. (3) (a), and the initial limited registration shall be valid as provided in sub. (3) (a).

Deleted: LIMITED

Deleted: limited

Deleted: limited

Deleted: , in addition to the information provided under sub. (2),

Deleted: limited

Deleted: limited

✓ Section 4: 461.02(9) of the statutes as affected by 2009 Wisconsin Act 29 is amended to read:

(9) LIST OF REGISTRANTS; CONFIDENTIALITY. The department shall maintain a list of all professional employer organizations and professional employer groups registered under this section that is readily available to the public by electronic or other means. All records maintained by the department that contain any information obtained from an applicant or registrant are confidential and not open to public inspection or copying under s. 19.35 (1) unless one of the following applies:

(a) Disclosure of the record is necessary for the administration of this section.

(b) A court of competent jurisdiction in this state orders the department to release the record.

(c) The requester is the department of children and families or a county child support agency under s. 59.53 (5), the request is made under s. 49.22 (2m), and the request is limited to the name, home

<sup>1</sup> 108.02(24m) (WI Stats.) Temporary help company. "Temporary help company" means an entity which contracts with a client to supply individuals to perform services for the client on a temporary basis to support or supplement the workforce of the client in situations such as personnel absences, temporary personnel shortages, and workload changes resulting from seasonal demands or special assignments or projects, and which, both under contract and in fact: (a) Negotiates with clients for such matters as time, place, type of work, working conditions, quality, and price of the services; (b) Determines assignments or reassignments of individuals to its clients, even if the individuals retain the right to refuse specific assignments; (c) Sets the rate of pay of the individuals, whether or not through negotiation; (d) Pays the individuals from its account or accounts; and (e) Hires and terminates individuals who perform services for the clients.

<sup>2</sup> 102.01(2)(f) (WI Stats.) "Temporary help agency" means an employer who places its employee with or leases its employees to another employer who controls the employee's work activities and compensates the first employer for the employee's services, regardless of the duration of the services.

contradicts next sentence re: confidentiality?

→ Name of company  
address  
phone number  
web site

update annually

address, and business address of the applicant, registrant, or controlling person who is the subject of the request and any financial information about the applicant, registrant, or controlling person contained in the record.

(d) The department of revenue requests the record for the purpose of locating a person, or the assets of a person, who has failed to file tax returns, who has underreported taxable income, or who is a delinquent taxpayer; identifying fraudulent tax returns; or providing information for tax-related prosecutions.

Section 5: 461.04(4) of the statutes as affected by 2009 Wisconsin Act 29 is amended to read:

(4) TAX CREDITS, OTHER ECONOMIC DEVELOPMENT INCENTIVES, AND REQUIREMENTS. For purposes of determining:

(a) Tax credits, other economic development incentives provided by the state or local governmental unit as defined in s. 19.42(7u)<sup>3</sup> that are based on providing employment, or any other benefits that arises out of the employment of an employee of a professional employer organization or professional employer group who is performing services for a client, such an employee is considered to be an employee solely of the client, and the client is entitled to the benefit of the tax credit, economic development incentive, or other benefit. If the amount of a tax credit, incentive, or benefit described in this subsection is based on the number of employees employed by a client, only those employees of a professional employer organization or professional employer group who are performing services for the client shall be treated as employees employed by the client, and employees of the professional employer organization or professional employer group who are performing services for another client shall not be treated as employees employed by the client. On request of a client that is seeking a tax credit, incentive, or other benefit described in this subsection or of an agency of this state that is responsible for administering such a tax credit, incentive, or benefit, a professional employer organization or professional employer group shall provide any employment information reasonably required by the agency that is necessary to support a claim, application, or other action by the client.

(b) Tax assessed, assessment, mandated expenditure, or mandated benefit by the state or local governmental unit as defined in s. 19.42(7u) on a per capita or per employee basis shall be assessed against the client for employees providing services for those clients and against the professional employer organization for employees not providing services to a client. Benefits or monetary consideration that meet the requirements of mandates imposed on a client and that are received by employees providing services for a client through the professional employer organization either through payroll or through benefit plans sponsored by the professional employer organization shall be credited against the client's obligation to fulfill such mandates

<sup>3</sup> 19.42(7u) (WI Stats) "Local governmental unit" means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of any of the foregoing or an instrumentality of the state and any of the foregoing.

Deleted: AND

Deleted: t

anticipate  
future mandated  
expenses, ex:

① mandated sick leave  
which varies by size  
of company  
(nose counting by client,  
not PEO level)

② mandated overtime  
for nurses, LTR  
etc.

employment benefits (mandated?)



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-4033

TKK:.....

RM RVN

PI  
e  
bjk

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

SA  
x-ref

Inserts

in 1/5/10

gen.

1

AN ACT ...; relating to: professional employer organizations.

---

***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a later version.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

2

**SECTION 1.** 461.01 (5) of the statutes is amended to read:

3

461.01 (5) "Professional employer organization" means a person that is

4

engaged in the business of entering into written contracts for the provision of the

5

nontemporary, ongoing employee workforce of a client and providing services under

6

those contracts and that under those contracts has the obligation to pay the

7

employees providing services for those clients from its own accounts, regardless of

8

whether the person uses the term "professional employer organization," "PEO,"

9

"staff leasing company," "registered staff leasing company," "employee leasing

10

company," or "administrative employer," or uses any other name, as part of the

1 person's business name or to describe the person's business. "Professional employer  
2 organization" does not mean a temporary help agency, as defined in s. 102.01 (2) (f),  
3 or a temporary help company, as defined in s. 108.02 (24m).

History: 2007 a. 189.

4 **SECTION 2.** 461.02 (5) (a) to (d) of the statutes, as affected by 2009 Wisconsin

5 Act 29, <sup>e</sup>is amended to read:

6 461.02 (5) LIMITED SMALL OPERATIONS REGISTRATION. (a) Except as provided in

7 sub. (7) (b), a professional employer organization or professional employer group that  
8 is domiciled outside this state, that is registered or licensed as a professional  
9 employer organization or professional employer group in another state, that does not  
10 maintain an office in this state or directly solicit clients that are located or domiciled  
11 in this state, and that has no more than 50 employees performing services for clients  
12 in this state on any given day may apply for limited small operations registration  
13 under this section by filing with the department a limited small operations  
14 registration form prescribed by the department and paying the initial credential fee  
15 determined by the department under s. 440.03 (9) (a). An applicant that is seeking  
16 limited small operations registration shall, in addition to the information provided  
17 under sub. (2), provide the department with information and documentation  
18 showing that the applicant meets the qualifications specified in this paragraph for  
19 limited small operations registration.

20 (b) Except as provided in sub. (7) (b), a professional employer organization or  
21 professional employer group seeking limited small operations registration that has  
22 employees performing services for clients in this state on July 1, 2009, shall register  
23 with the department as provided in sub. (3) (a), and the initial limited small  
24 operations registration shall be valid as provided in sub. (3) (a).

(c) Except as provided in sub. (7) (b), a professional employer organization or professional employer group seeking limited small operations registration that does not have employees performing services for clients in this state on July 1, 2009, shall register with the department as provided in sub. (3) (b), before contracting with a client in this state, and the initial limited small operations registration shall be valid as provided in sub. (3) (b).

(d) Except as provided in sub. (7) (b), a professional employer organization or professional employer group registered under this subsection that wishes to renew its limited small operations registration shall, in addition to complying with sub. (4), provide the department with information and documentation showing that the professional employer organization or professional employer group continues to meet the qualifications specified in par. (a) for limited small operations registration, and the limited small operations registration shall be valid as provided in sub. (4).

History: 2007 a. 189; 2009 a. 29.

**SECTION 3.** 461.02 (9) of the statutes is renumbered 461.02 (9) (a) and amended to read:

**461.02 (9) (LIST OF REGISTRANTS; CONFIDENTIALITY.)** (a) The department shall maintain and annually update a list of all professional employer organizations and professional employer groups registered under this section, and shall make the list available on the department's Internet web site. The list of registrants required under this paragraph shall include the address, phone number, and, if applicable, Internet web address of each registrant.

(b) All records maintained by the department that contain any information obtained from an applicant or registrant are confidential and not open to public inspection or copying under s. 19.35 (1) unless one of the following applies:

Insert  
3-24 →

1. Disclosure of the record is necessary for the administration of this section.
2. A court of competent jurisdiction in this state orders the department to release the record.
3. The requester is the department of children and families or a county child support agency under s. 59.53 (5), the request is made under s. 49.22 (2m), and the request is limited to the name, home address, and business address of the applicant, registrant, or controlling person who is the subject of the request and any financial information about the applicant, registrant, or controlling person contained in the record.
4. The department of revenue requests the record for the purpose of locating a person, or the assets of a person, who has failed to file tax returns, who has underreported taxable income, or who is a delinquent taxpayer; identifying fraudulent tax returns; or providing information for tax-related prosecutions.

History: 2007 a. 189; 2009 a. 29.

SECTION 4. 461.04 (4) of the statutes is renumbered 461.04 (4) (b) and amended to read:

461.04 (4) TAX CREDITS AND OTHER ECONOMIC DEVELOPMENT INCENTIVES;

REQUIREMENTS. (b) For purposes of determining tax credits, other economic development incentives provided by the state or a local governmental unit that are based on providing employment, or any other benefits that arises arise out of the employment of an employee of a professional employer organization or professional employer group who is performing services for a client, such an employee is considered to be an employee solely of the client, and the client is entitled to the benefit of the tax credit, economic development incentive, or other benefit. If the amount of a tax credit, incentive, or benefit described in this subsection paragraph



1 is based on the number of employees employed by a client, only those employees of  
2 a professional employer organization or professional employer group who are  
3 performing services for the client shall be treated as employees employed by the  
4 client, and employees of the professional employer organization or professional  
5 employer group who are performing services for the professional employer  
6 organization or professional employer group or for another client shall not be treated  
7 as employees employed by the client. On request of a client that is seeking a tax  
8 credit, incentive, or other benefit described in this subsection paragraph or on  
9 request of an agency of this state that is responsible for administering such a tax  
10 credit, incentive, or benefit, a professional employer organization or professional  
11 employer group shall provide any employment information requested and  
12 reasonably required by the agency that is necessary to support a claim, application,  
13 or other action by the client.

History: 2007 a. 189; 2009 a. 29.

14 **SECTION 5.** 461.04 (4) (a) of the statutes is created to read:

15 461.04 (4) (a) In this subsection, "local governmental unit" has the meaning  
16 given in s. 19.42 (7u).

17 **SECTION 6.** 461.04 (4) (c) of the statutes is created to read:

18 461.04 (4) (c) Taxes, assessments, expenditures, or benefits required by the  
19 state or a local governmental unit to be paid by an employer on a per employee basis  
20 shall be paid by, assessed against, or charged to a client if the employee is providing  
21 services for that client or by a professional employer organization or professional  
22 employer group if the employee is not providing services for a client. Benefits or  
23 monetary consideration provided or paid to an employee by a professional employer  
24 organization or professional employer group shall be credited against the obligations

1 required to be paid by, assessed against, or charged to the client if the benefits or  
2 monetary consideration provided or paid to the employee satisfy the requirements  
3 imposed by the state or local governmental unit.

4 **SECTION 7.** 461.10 of the statutes is created to read:

5 **461.10 Short title.** *g* This chapter shall be known as the "Wisconsin  
6 Professional Employer Organizations Act."

7 (END)

**2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4033/P1bkins  
TKK:bjk:...

**Ins 2-3**

1        **SECTION 1.** 461.02 (5) (title) of the statutes is amended to read:

2        461.02 (5) (title) ~~LIMITED~~ SMALL OPERATIONS REGISTRATION.

**Ins 3-24**

3        **SECTION 2.** 461.02 (9) (a) to (d) of the statutes are renumbered 461.02 (9) (bm)

4        1. to 4.

**Kuczenski, Tracy**

---

**From:** Kuczenski, Tracy  
**Sent:** Wednesday, January 20, 2010 11:47 AM  
**To:** 'Adam Peer'  
**Cc:** Tierney, Michael; Childress, Jason M.  
**Subject:** RE: PEO Bill, Effective Date

Section 991.11, stats. (Effective date of acts) provides:

"Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated under s. 35.095 (3) (b)."

Section 35.095 (3), stats. (Publication) provides:

(3) Publication.

35.095(3)(a)

(a) The legislative reference bureau shall publish every act and every portion of an act which is enacted by the legislature over the governor's partial veto within 10 working days after its date of enactment.

35.095(3)(b)

(b) The secretary of state shall designate a date of publication for each act and every portion of an act which is enacted by the legislature over the governor's partial veto. The date of publication may not be more than 10 working days after the date of enactment.

35.095(3)(c)

(c) Copies of each act or portion of an act enacted by the legislature over the governor's partial veto shall be available on or before its date of publication to subscribers under s. 35.87 who pick up their documents. At appropriate intervals, the officer designated under s. 35.87 shall certify to the secretary of state that each act or portion of an act was available to subscribers on or before its date of publication.

Tracy

*Tracy K. Kuczenski*  
*Legislative Attorney*  
*Wisconsin Legislative Reference Bureau*  
*(608) 266-9867*  
[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)

---

**From:** Adam Peer [mailto:[apeer@napeo.org](mailto:apeer@napeo.org)]  
**Sent:** Wednesday, January 20, 2010 11:42 AM  
**To:** Kuczenski, Tracy  
**Cc:** Tierney, Michael; Childress, Jason M.  
**Subject:** RE: PEO Bill, Effective Date

When does publication take place or how does that work?

<b>ADAM PEER</b> ASSISTANT DIRECTOR, STATE GOVERNMENT AFFAIRS 703-739-8179   <a href="mailto:apeer@napeo.org">apeer@napeo.org</a>   <a href="http://www.napeo.org">www.napeo.org</a>
---

<i>National Association of Professional Employer Organizations</i>
--

**From:** Kuczenski, Tracy [mailto:Tracy.Kuczenski@legis.wisconsin.gov]  
**Sent:** Wednesday, January 20, 2010 12:41 PM  
**To:** Adam Peer  
**Cc:** Tierney, Michael; Childress, Jason M.  
**Subject:** RE: PEO Bill, Effective Date

Unless I draft an effective date that states otherwise, the bill will become effective on the day after publication. See Wis. Stat. ss. 991.11 and 35.095 (3) (b).

*Tracy K. Kuczenski*  
*Legislative Attorney*  
*Wisconsin Legislative Reference Bureau*  
*(608) 266-9867*  
*[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)*

---


**From:** Adam Peer [mailto:apeer@napeo.org]  
**Sent:** Wednesday, January 20, 2010 11:38 AM  
**To:** Kuczenski, Tracy  
**Cc:** Tierney, Michael; Childress, Jason M.  
**Subject:** PEO Bill, Effective Date

Tracy, on the PEO draft, the industry would like the bill to become law/become effective as soon as possible, because it may impact pending registrations.

If it isn't already, could it be drafted in a way that accomplishes that.

Thanks, Adam.

<b>ADAM PEER</b> ASSISTANT DIRECTOR, STATE GOVERNMENT AFFAIRS 703-739-8179   <a href="mailto:apeer@napeo.org">apeer@napeo.org</a>   <a href="http://www.napeo.org">www.napeo.org</a>
---

 <i>National Association of Professional Employer Organizations</i>
---

## Kuczenski, Tracy

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**From:** Adam Peer [apeer@napeo.org]  
**Sent:** Tuesday, January 19, 2010 10:54 PM  
**To:** Kuczenski, Tracy  
**Cc:** Tierney, Michael  
**Subject:** RE: PEO Draft LRB 09-4033

Tracy, I had the chance to read through these. I think these changes work and I agree with your thoughts and would welcome them in the P2 draft. I'll run the P2 draft by my general counsel, but I think this will do the trick. Thanks so much for your attention to the details. Adam

### Adam Peer

*Assistant Director, State Government Affairs*  
National Association of Professional Employer Organizations

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Email: apeer@napeo.org  
Web: www.napeo.org

*NAPEO's moved to...*  
707 N. St. Asaph Street, Alexandria, VA 22314

---

**From:** Adam Peer  
**Sent:** Tuesday, January 19, 2010 5:11 PM  
**To:** 'Kuczenski, Tracy'  
**Cc:** Tierney, Michael  
**Subject:** RE: PEO Draft LRB 09-4033

Tracy, let me read this over and get you an email tonight. But at first glance, these look great to me.

BTW – This chapter has a note about a cross-reference error, does it make sense to correct that too? Adam

### Adam Peer

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Web: www.napeo.org

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---

**From:** Kuczenski, Tracy [mailto:Tracy.Kuczenski@legis.wisconsin.gov]  
**Sent:** Tuesday, January 19, 2010 5:06 PM  
**To:** Adam Peer  
**Cc:** Tierney, Michael  
**Subject:** RE: PEO Draft LRB 09-4033

Hi Mike and Adam -

I wanted to bring your attention to a couple of house-cleaning issues that I am incorporating into LRB-4033/P2:

A. I would like to make the following changes to current law s. 461.02 (4) (a), which governs renewal of registration:

1. Eliminate the sentence that notes that "A renewal of registration is valid for one year after the date of renewal." I added this sentence to s. 461.02 (4) (a) in 2009 Wis. Act 29, and should not have.

In general, the DRL chapters do not specify the terms of a license or registration or of the renewal of a license or registration within the chapter governing the licensed profession. The terms for renewal of licenses are specified in s. 440.08 (2) (a). Section 461.02 (4) (a) specifically cross-references that section of the statutes. For that reason, the inclusion of an additional statement regarding renewal of registration in s. 461.02 (4) (a) is duplicative at best and confusing at worst (what does "one year after the date of renewal" mean for an applicant whose renewal is issued on a date that is before the date on which the initial license was to expire or before the renewal was required under s. 440.08 (2) (a)?).

2. Clarify that the reference to the financial statement described in s. 461.02 (2) (f), requires the registrant to submit a financial statement updated to reflect the current financial condition of the registrant. (Currently, s. 461.02 (4) (a) makes reference to an "updated financial statement as described in s. 461.02 (2) (f)," when there is no description of an "updated financial statement" in s. 461.02 (2) (f).

3. Clarify that PEOs and PEGs registered under sub. (5) need not submit a financial statement as a condition of renewal.

4. Eliminate the reference to the "wishes" of a registrant and substitute a simple directive that applications for renewal must be received by the applicable renewal date under s. 440.08 (2) (a).

B. I am amending s. 440.08 (2) (a) (intro.) to eliminate the inaccurate cross-reference to s. 461.02 (3) (a) and (b) and (4).

C. I am amending s. 461.02 (5) (b), (c), and (d) to eliminate language at the end of these three paragraphs referencing that the "initial limited registration shall be valid as provided in sub. (3)" (or (4), as applicable). These statements are unnecessary (if not inaccurate).

Let me know if you have any questions or concerns about these changes.

Tracy

Tracy K. Kuczenski  
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Wisconsin Legislative Reference Bureau  
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[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)

---

**From:** Adam Peer [mailto:[apeer@napeo.org](mailto:apeer@napeo.org)]  
**Sent:** Tuesday, January 19, 2010 8:46 AM  
**To:** Kuczenski, Tracy  
**Cc:** Tierney, Michael  
**Subject:** RE: PEO Draft LRB 09-4033

Correct, PEOs/PEGs seeking or that has small operations registration should not be required to file financial statements (audited or otherwise) under any circumstances. Those not seeking small operations registration should be required.

Thanks, Adam

1/20/2010

**Adam Peer**

*Assistant Director, State Government Affairs*  
National Association of Professional Employer Organizations

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---

**From:** Kuczenski, Tracy [<mailto:Tracy.Kuczenski@legis.wisconsin.gov>]  
**Sent:** Tuesday, January 19, 2010 9:43 AM  
**To:** Adam Peer  
**Cc:** Tierney, Michael  
**Subject:** RE: PEO Draft LRB 09-4033

Hi Adam -

I have just one question: is it your intent that PEOs and PEGs with small operator registration would not be required at any time to submit a "financial statement that sets forth the financial condition of the applicant as of a date that is not more than 13 months preceding the date of the application, that is prepared in accordance with generally accepted accounting principles, and that has been audited by an independent certified public accountant," as required for other PEOs and PEGs under current s. 461.02 (2) (f).

Thanks,  
Tracy

*Tracy K. Kuczenski*  
*Legislative Attorney*  
*Wisconsin Legislative Reference Bureau*  
*(608) 266-9867*  
*[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)*

---

**From:** Adam Peer [<mailto:apeer@napeo.org>]  
**Sent:** Tuesday, January 19, 2010 8:22 AM  
**To:** Kuczenski, Tracy  
**Cc:** Tierney, Michael  
**Subject:** PEO Draft LRB 09-4033

Tracy, just checking in to see if there's anything you need in revising the PEO draft for Senator Wirth's office? Thanks, Adam.

**Adam Peer**

*Assistant Director, State Government Affairs*  
National Association of Professional Employer Organizations

Office: 703-739-8179  
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1/20/2010



*NAPEO's moved to...*

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## Kuczenski, Tracy

---

**From:** Tierney, Michael  
**Sent:** Thursday, January 14, 2010 3:58 PM  
**To:** Kuczenski, Tracy  
**Subject:** RE: Sen Wirth 09LRB 4033 P1 Suggested Revisions

Hi Tracy –

Could you just run with the changes Adam suggested?

Thank you.

Mike

---

**From:** Kuczenski, Tracy  
**Sent:** Thursday, January 14, 2010 3:22 PM  
**To:** Tierney, Michael  
**Subject:** FW: Sen Wirth 09LRB 4033 P1 Suggested Revisions

Hi Mike -

I received these follow-up drafting instructions from Adam Peer. Should I proceed with the instructions provided in the attached documents? Were there any other changes Sen. Wirth would like me to make to the preliminary draft?

Thanks,  
Tracy

*Tracy K. Kuczenski*  
*Legislative Attorney*  
*Wisconsin Legislative Reference Bureau*  
*(608) 266-9867*  
*[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)*

---

**From:** Adam Peer [<mailto:apeer@napeo.org>]  
**Sent:** Thursday, January 14, 2010 3:09 PM  
**To:** Kuczenski, Tracy  
**Cc:** Childress, Jason M.  
**Subject:** Sen Wirth 09LRB 4033 P1 Suggested Revisions

Tracy, here are my suggestions to the draft, the one new issue that was raised to clarify for small operations: how long does the initial and renewal registration last.

If I could get another preliminary draft to double check things, I think we should be very close. Thanks, Adam.

**Adam Peer**  
*Assistant Director, State Government Affairs*  
National Association of Professional Employer Organizations

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1/15/2010

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1 whether the person uses the term "professional employer organization," "PEO,"  
2 "staff leasing company," "registered staff leasing company," "employee leasing  
3 company," or "administrative employer," or uses any other name, as part of the  
4 person's business name or to describe the person's business. "Professional employer  
5 organization" does not mean a temporary help agency, as defined in s. 102.01 (2) (f),  
6 or a temporary help company, as defined in s. 108.02 (24m).

7 SECTION 2. 461.02 (5) (title) of the statutes is amended to read:

8 461.02 (5) (title) ~~LIMITED~~ SMALL OPERATIONS REGISTRATION.

9 SECTION 3. 461.02 (5) (a) to (d) of the statutes, as affected by 2009 Wisconsin  
10 Act 29, are amended to read:

11 461.02 (5) (a) Except as provided in sub. (7) (b), a professional employer  
12 organization or professional employer group that is domiciled outside this state, that  
13 is registered or licensed as a professional employer organization or professional  
14 employer group in another state, that does not maintain an office in this state or  
15 directly solicit clients that are located or domiciled in this state, and that has no more  
16 than 50 employees performing services for clients in this state on any given day may  
17 apply for ~~limited small operations~~ registration under this section by filing with the  
18 department a ~~limited small operations~~ registration form prescribed by the  
19 department and paying the initial credential fee determined by the department  
20 under s. 440.03 (9) (a). An applicant that is seeking ~~limited small operations~~  
21 registration shall, in addition to the information <sup>1</sup>provided ~~under sub. (2)~~ <sup>3</sup>provide the  
22 department with information and documentation showing that the applicant meets  
23 the qualifications specified in this paragraph for ~~limited small operations~~  
24 registration.

# Summary of Comments on 09-4033/P1

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Page: 2

---

Sequence number: 1  
Author: Adam  
Subject: Cross-Out  
Date: 1/14/2010 2:36:56 PM

**T**

---

Sequence number: 2  
Author: Adam  
Subject: Inserted Text  
Date: 1/13/2010 1:29:38 PM

**T<sub>A</sub>** (a) to (e)

---

Sequence number: 3  
Author: Adam  
Subject: Inserted Text  
Date: 1/14/2010 2:55:16 PM

**T<sub>A</sub>** required

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1 (b) Except as provided in sub. (7) (b), a professional employer organization or  
2 professional employer group seeking limited small operations registration that has  
3 employees performing services for clients in this state on July 1, 2009, shall register  
4 with the department as provided in sub. (3) (a), and the initial limited small  
5 operations registration shall be valid as provided in sub. (3) (a).

6 (c) Except as provided in sub. (7) (b), a professional employer organization or  
7 professional employer group seeking limited small operations registration that does  
8 not have employees performing services for clients in this state on July 1, 2009, shall  
9 register with the department as provided in sub. (3) (b), before contracting with a  
10 client in this state, and the initial limited small operations registration shall be valid  
11 as provided in sub. (3) (b).<sup>1</sup>

12 (d) Except as provided in sub. (7) (b), a professional employer organization or  
13 professional employer group registered under this subsection that wishes to renew  
14 its limited small operations registration shall, in addition to complying with sub. (4),  
15 provide the department with information and documentation showing that the  
16 professional employer organization or professional employer group continues to  
17 meet the qualifications specified in par. (a) for limited small operations registration,  
18 and the limited small operations registration shall be valid as provided in sub. (4).<sup>3</sup>

19 SECTION 4. 461.02 (9) (intro.) (except 461.02 (9) (title)) of the statutes is  
20 renumbered 461.02 (9) (am) and amended to read:

21 461.02 (9) (am) <sup>5</sup>The department shall maintain and <sup>4</sup>annually update a list of  
22 all professional employer organizations and professional employer groups registered  
23 under this section, and shall make the list available on the department's Internet  
24 Web site. The list shall include the address<sup>6</sup> ~~phone number, and, if applicable,~~  
25 ~~Internet Web site address~~ of each registrant.

## Page: 3

---

Sequence number: 1  
Author: Adam  
Subject: Replacement Text  
Date: 1/14/2010 2:56:10 PM  
**T<sub>A</sub>** for one year

---

Author: Adam  
Subject: Cross-Out  
Date: 1/14/2010 2:42:56 PM  
**S**

---

Sequence number: 2  
Author: Adam  
Subject: Inserted Text  
Date: 1/14/2010 2:58:56 PM  
**T<sub>A</sub>** (e) A [limited] small operations registration is not required to comply with the financial capability requirement under s. 461.03 or file  
the financial statement required under s. 461.02 for initial application or renewal.

---

Sequence number: 3  
Author: Adam  
Subject: Replacement Text  
Date: 1/14/2010 2:47:00 PM  
**T<sub>A</sub>** for one year after the date of renewal

---

Author: Adam  
Subject: Cross-Out  
Date: 1/14/2010 2:45:36 PM  
**S**

---

Sequence number: 4  
Author: Adam  
Subject: Cross-Out  
Date: 1/12/2010 10:54:51 AM  
**T**

---

Sequence number: 5  
Author: Adam  
Subject: Replacement Text  
Date: 1/14/2010 2:49:36 PM  
**T<sub>A</sub>** Notwithstanding par. (bm), the

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Author: Adam  
Subject: Cross-Out  
Date: 1/14/2010 2:49:07 PM  
**S**

---

Sequence number: 6  
Author: Adam  
Subject: Cross-Out  
Date: 1/13/2010 1:33:00 PM  
**T**

---

1 employer group shall provide any employment information requested and  
2 reasonably required by the agency that is necessary to support a claim, application,  
3 or other action by the client.

4 **SECTION 7.** 461.04 (4) (a) of the statutes is created to read:

5 461.04 (4) (a) In this subsection, “local governmental unit” has the meaning  
6 given in s. 19.42 (7u).

7 **SECTION 8.** 461.04 (4) (c) of the statutes is created to read:

8 461.04 (4) (c) Taxes, assessments, expenditures, or benefits required by the  
9 state or a local governmental unit to be paid by an employer on a per employee basis  
10 shall be paid by, assessed against, or charged to a client if the employee is providing  
11 services for that client or by a professional employer organization or professional  
12 employer group if the employee is <sup>1</sup>~~not~~ providing services for a client. <sup>2</sup>Benefits or  
13 monetary consideration provided or paid to an employee by a professional employer  
14 organization or professional employer group shall be credited against the obligations  
15 required to be paid by, assessed against, or charged to the client if the benefits or  
16 monetary consideration provided or paid to the employee satisfy the requirements  
17 imposed by the state or local governmental unit.

18 **SECTION 9.** 461.10 of the statutes is created to read:

19 **461.10 Short title.** This chapter shall be known as the “Wisconsin  
20 Professional Employer Organizations Act.”

21 (END)



## Page: 5

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Sequence number: 1  
Author: Adam  
Subject: Cross-Out  
Date: 1/14/2010 2:51:38 PM

~~T~~

---

Sequence number: 2  
Author: Adam  
Subject: Replacement Text  
Date: 1/14/2010 2:53:08 PM

~~T~~

~~to the professional employer organization or professional employer group and not assigned to or providing t services for a specific client~~

---

Author: Adam  
Subject: Cross-Out  
Date: 1/14/2010 2:52:09 PM

~~S~~

---

## Kuczenski, Tracy

---

**From:** Adam Peer [apeer@napeo.org]  
**Sent:** Tuesday, January 19, 2010 8:46 AM  
**To:** Kuczenski, Tracy  
**Cc:** Tierney, Michael  
**Subject:** RE: PEO Draft LRB 09-4033

Correct, PEOs/PEGs seeking or that has small operations registration should not be required to file financial statements (audited or otherwise) under any circumstances. Those not seeking small operations registration should be required.  
Thanks, Adam

### Adam Peer

*Assistant Director, State Government Affairs*  
National Association of Professional Employer Organizations

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Email: apeer@napeo.org  
Web: www.napeo.org

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**From:** Kuczenski, Tracy [mailto:Tracy.Kuczenski@legis.wisconsin.gov]  
**Sent:** Tuesday, January 19, 2010 9:43 AM  
**To:** Adam Peer  
**Cc:** Tierney, Michael  
**Subject:** RE: PEO Draft LRB 09-4033

Hi Adam -

I have just one question: is it your intent that PEOs and PEGs with small operator registration would not be required at any time to submit a "financial statement that sets forth the financial condition of the applicant as of a date that is not more than 13 months preceding the date of the application, that is prepared in accordance with generally accepted accounting principles, and that has been audited by an independent certified public accountant," as required for other PEOs and PEGs under current s. 461.02 (2) (f).

Thanks,  
Tracy

*Tracy K. Kuczenski*  
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*Wisconsin Legislative Reference Bureau*  
*(608) 266-9867*  
*[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)*

---

**From:** Adam Peer [mailto:apeer@napeo.org]  
**Sent:** Tuesday, January 19, 2010 8:22 AM  
**To:** Kuczenski, Tracy

1/19/2010

**Cc:** Tierney, Michael  
**Subject:** PEO Draft LRB 09-4033

Tracy, just checking in to see if there's anything you need in revising the PEO draft for Senator Wirch's office? Thanks, Adam.

**Adam Peer**

*Assistant Director, State Government Affairs*  
National Association of Professional Employer Organizations

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State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-4033/PT

TKK:bjk:rs

P2

stays

insert  
RMNR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SA  
X-ref

Inserts

In 1/20/10  
4:00pm

by 1/22/10 a.m.

Regem

- 1 AN ACT *to renumber* 461.02 (9) (a) to (d); *to renumber and amend* 461.02 (9)  
2 (intro.) (except 461.02 (9) (title)) ~~and~~ 461.04 (4); *to amend* 461.01 (5), 461.02  
3 (5) (title) and 461.02 (5) (a) to (d); and *to create* 461.04 (4) (a), 461.04 (4) (c) and  
4 461.10 of the statutes; **relating to:** professional employer organizations.

Insert  
analysis

*Analysis by the Legislative Reference Bureau*

This is a preliminary draft. An analysis will be provided in a later version.

Insert 1-5

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

- 5 SECTION 1. 461.01 (5) of the statutes is amended to read:  
6 461.01 (5) "Professional employer organization" means a person that is  
7 engaged in the business of entering into written contracts for the provision of the  
8 nontemporary, ongoing employee workforce of a client and providing services under  
9 those contracts and that under those contracts has the obligation to pay the  
10 employees providing services for those clients from its own accounts, regardless of

1 whether the person uses the term "professional employer organization," "PEO,"  
2 "staff leasing company," "registered staff leasing company," "employee leasing  
3 company," or "administrative employer," or uses any other name, as part of the  
4 person's business name or to describe the person's business. "Professional employer  
5 organization" does not mean a temporary help agency, as defined in s. 102.01 (2) (f),  
6 or a temporary help company, as defined in s. 108.02 (24m).

7 **SECTION 2.** 461.02 (5) (title) of the statutes is amended to read:

8 461.02 (5) (title) ~~LIMITED~~ SMALL OPERATIONS REGISTRATION.

9 **SECTION 3.** 461.02 (5) (a) to (d) of the statutes, as affected by 2009 Wisconsin  
10 Act 29, are amended to read:

11 461.02 (5) (a) Except as provided in sub. (7) (b), a professional employer  
12 organization or professional employer group that is domiciled outside this state, that  
13 is registered or licensed as a professional employer organization or professional  
14 employer group in another state, that does not maintain an office in this state or  
15 directly solicit clients that are located or domiciled in this state, and that has no more  
16 than 50 employees performing services for clients in this state on any given day may  
17 apply for ~~limited~~ small operations registration under this section by filing with the  
18 department a ~~limited~~ small operations registration form prescribed by the  
19 department and paying the initial credential fee determined by the department  
20 under s. 440.03 (9) (a). An applicant that is seeking ~~limited small operations~~  
21 registration shall, in addition to the information ~~provided~~ <sup>required</sup> under sub. (2) <sup>(a) to (e)</sup> provide the  
22 department with information and documentation showing that the applicant meets  
23 the qualifications specified in this paragraph for ~~limited~~ small operations  
24 registration.

(b) Except as provided in sub. (7) (b), a professional employer organization or professional employer group seeking limited small operations registration that has employees performing services for clients in this state on July 1, 2009, shall register with the department as provided in sub. (3) (a), ~~and the initial limited~~ small

~~operations~~ registration shall be valid as provided in sub. (3) (a).

(c) Except as provided in sub. (7) (b), a professional employer organization or professional employer group seeking limited small operations registration that does not have employees performing services for clients in this state on July 1, 2009, shall register with the department as provided in sub. (3) (b), before contracting with a client in this state, ~~and the initial limited~~ small operations registration shall be valid as provided in sub. (3) (b).

(d) Except as provided in sub. (7) (b), a professional employer organization or professional employer group registered under this subsection that wishes to renew its limited small operations registration shall, in addition to complying with sub. (4), provide the department with information and documentation showing that the professional employer organization or professional employer group continues to meet the qualifications specified in par. (a) for limited small operations registration, ~~and the limited~~ small operations registration shall be valid as provided in sub. (4).

Insert 19  
3-18  
SECTION 4. 461.02 (9) (intro.) (except 461.02 (9) (title)) of the statutes is renumbered 461.02 (9) (am) and amended to read:

461.02 (9) (am) The department shall maintain ~~and annually~~ periodically update a list of all professional employer organizations and professional employer groups registered under this section, ~~and shall make the list available on the department's Internet~~ Web site. The list shall include the address, phone number, and, if applicable, Internet Web site address of each registrant.

Except as provided in para (am), all

(1) (bm) All records maintained by the department that contain any information obtained from an applicant or registrant are confidential and not open to public inspection or copying under s. 19.35 (1) unless one of the following applies:

SECTION 5. 461.02 (9) (a) to (d) of the statutes are renumbered 461.02 (9) (bm)

1. to 4.

SECTION 6. 461.04 (4) of the statutes is renumbered 461.04 (4) (b) and amended to read:

461.04 (4) (b) For purposes of determining tax credits, other economic development incentives provided by the state or a local governmental unit that are based on providing employment, or any other benefits that ~~arises~~ arise out of the employment of an employee of a professional employer organization or professional employer group who is performing services for a client, such an employee is considered to be an employee solely of the client, and the client is entitled to the benefit of the tax credit, economic development incentive, or other benefit. If the amount of a tax credit, incentive, or benefit described in this ~~subsection~~ paragraph is based on the number of employees employed by a client, only those employees of a professional employer organization or professional employer group who are performing services for the client shall be treated as employees employed by the client, and employees of the professional employer organization or professional employer group who are performing services for the professional employer organization or professional employer group or for another client shall not be treated as employees employed by the client. On request of a client that is seeking a tax credit, incentive, or other benefit described in this ~~subsection~~ paragraph or on request of an agency of this state or local governmental unit that is responsible for administering such a tax credit, incentive, or benefit, a professional employer organization or professional

1 employer group shall provide any employment information requested and  
2 reasonably required by the agency or local governmental unit that is necessary to support a claim, application,  
3 or other action by the client.

4 **SECTION 7.** 461.04 (4) (a) of the statutes is created to read:

5 461.04 (4) (a) In this subsection, "local governmental unit" has the meaning  
6 given in s. 19.42 (7u).

7 **SECTION 8.** 461.04 (4) (c) of the statutes is created to read:

8 461.04 (4) (c) Taxes, assessments, expenditures, or benefits required by the  
9 state or a local governmental unit to be paid by an employer on a per employee basis  
10 shall be paid by, assessed against, or charged to a client if the employee is providing  
11 services for that client or by a professional employer organization or professional  
12 employer group if the employee is ~~not~~ providing services for a client. Benefits or  
13 monetary consideration provided or paid to an employee by a specific professional employer  
14 organization or professional employer group shall be credited against the obligations  
15 required to be paid by, assessed against, or charged to the client if the benefits or  
16 monetary consideration provided or paid to the employee satisfy the requirements  
17 imposed by the state or local governmental unit.

18 **SECTION 9.** 461.10 of the statutes is created to read:

19 **461.10 Short title.** This chapter shall be known as the "Wisconsin  
20 Professional Employer Organizations Act."

21 (END)

to the professional employer  
organization or professional employer  
group and not assigned to or  
providing services



**2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4033/P1ins  
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1

**Insert analysis**

Under current law, a professional employer organization (PEO) or professional employer group (PEG) must apply for and obtain registration with the Department of Regulation and Licensing (department) prior to providing professional employer services in this state. This bill makes a number of changes to the law governing Professional Employer Organizations and Professional employer Groups.

Change to definition of PEO

PEOs

PEGs

Current law defines a PEO to mean a person engaged in the business of entering into written contracts for the provision of the nontemporary, ongoing employee workforce of a client and that under the contract has the obligation to pay the employees providing services for the client. A PEG is defined to mean two or more PEOs controlled by the same person. Current law defines a temporary help agency as an employer who places its employee with or leases its employees to another employer who controls the employee's work activities and compensates the first employer for the employee's services, regardless of the duration of the services. Current law defines a temporary help company as an entity ~~which~~ <sup>that</sup> contracts with a client to supply individuals to perform services for the client on a temporary basis to support or supplement the workforce of the client in situations such as personnel absences, temporary personnel shortages, and workload changes resulting from seasonal demands or special assignments or projects ~~and which~~ <sup>that</sup> hires and terminates the employment of, sets the rate of pay of, and pays the individuals.

This bill modifies the definition of PEO to explicitly exclude from the definition both a temporary help agency and a temporary help company.

PEO and PEG small operations registration

Currently, a PEO or PEG that has no more than 50 employees performing services for clients in Wisconsin and that is registered or licensed in another state, domiciled in another state, and does not maintain an office in Wisconsin or directly solicit clients that are located or domiciled in Wisconsin may apply for limited registration. This bill changes the the name of such registration from limited to small operations.

Currently, an application for PEO or PEG registration or the renewal of registration must be accompanied by a financial statement that sets forth the financial condition of the applicant. This bill exempts a PEO or PEG seeking small operations registration or the renewal of small operations registration from the requirement to provide a financial statement to the department.

Treatment of tax credits and economic development incentives for providing employment and payment of taxes, assessments, expenditures and benefits of employees

Current law provides that, in the event a client of a PEO or PEG is entitled to obtain tax credits or other economic development incentives from the state as a result of that client providing employment, the employees of a PEO or PEG who are providing services for that client are to be considered the employees of the client for purposes of determining the value of such tax credits or economic development

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incentives. This bill provides that the employees of a PEO or PEG who are providing services for the client will also be considered the employees of the client for the purposes of determining the value of any tax credits or economic development incentives that may be provided by a local governmental unit to a client who provides employment. The bill defines a local governmental unit as a political subdivision of or special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of a political subdivision, special purpose district, instrumentality, or corporation, or an instrumentality of the state and any of the foregoing.

The bill also requires that any taxes, assessments, expenditures, or benefits required by the state or a local governmental unit to be paid by an employer on a per employee basis is to be paid by the client of the PEO or PEG if the employee is performing services for that client, or by the PEO or PEG if the employee is not assigned to or providing services for a client. If a PEO or PEG pays any benefits or monetary consideration to its employees and the benefits or monetary consideration satisfy the requirements imposed by the state or local government unit, the amount of the benefits or monetary consideration are to be applied to any obligations required to be paid by, assessed against, or charged to a client.

Database of registrants

Currently, the department must maintain a list of registered PEOs and PEGs. This bill provides that the department must periodically update the list and make the list available on the department's Internet web site, and that the list must include the address of each registrant.

**Insert 1-5**

**SECTION 1.** 440.08 (2) (a) (intro.) of the statutes is amended to read:

440.08 (2) (a) (intro.) Except as provided in par. (b) and in ss. 440.51, 442.04, 444.03, 444.11, 448.065, 447.04 (2) (c) 2., 449.17 (1m) (d), and 449.18 (2) (d), ~~and~~ 461.02 (3) (a) ~~and (b) and (4)~~, the renewal dates for credentials are as follows:

History: 1991 a. 39 ss. 3305, 3313; 1991 a. 78, 160, 167, 269, 278, 315; 1993 a. 3, 16, 102, 105, 107, 443, 463, 465; 1993 a. 490 ss. 228 to 230, 274, 275; 1995 a. 27, 233, 321, 322, 461; 1997 a. 27, 75, 81, 96, 156, 191, 237, 261, 300; 1999 a. 9, 32; 2001 a. 16, 70, 74, 80, 89; 2003 a. 150, 270, 285, 327; 2005 a. 25, 31, 242, 292, 297, 407; 2007 a. 20, 174, 189; 2009 a. 28, 29.

**Insert 2-7**

**SECTION 2.** 461.02 (2) (intro.) of the statutes, as affected by 2009 Wisconsin Act 29, is amended to read:

461.02 (2) (intro.) Except as provided in sub. (7) (b), an applicant for registration under this section shall submit to the department an application for registration on a form prescribed by the department, together with the registration

fee determined by the department under s. 440.03 (9) (a), ~~that contains~~ and all of the following information:

History: 2007 a. 189; 2009 a. 29.

**SECTION 3.** 461.02 (2) (f) of the statutes is renumbered 461.02 (2) (f) 1. and amended to read:

461.02 (2) (f) 1. Except as provided under subd. 2., a financial statement that sets forth the financial condition of the applicant as of a date that is not more than 13 months preceding the date of the application, that is prepared in accordance with generally accepted accounting principles, and that has been audited by an independent certified public accountant. The financial statement shall be without qualification as to the going concern status of the applicant. A professional employer group may meet the requirements of this ~~paragraph~~ <sup>subdivision</sup> by submitting a combined or consolidated audited financial statement. An applicant that does not have sufficient operating history to have an audited financial statement that is based on at least 12 months of operating history may meet the requirements of this ~~paragraph~~ <sup>subdivision</sup> by submitting financial statements that have been reviewed by an independent certified public accountant.

History: 2007 a. 189; 2009 a. 29.

**SECTION 4.** 461.02 (2) (f) 2. of the statutes is created to read:

461.02 (2) (f) 2. Subdivision 1. does not apply to a professional employer organization or professional employer group applying for registration under sub. (5).

**SECTION 5.** 461.02 (4) (a) of the statutes, as affected by 2009 Wisconsin Act 29, is amended to read:

461.02 (4) (a) On Renewal applications shall be submitted, together with the applicable renewal fee determined by the department under s. 440.03 (9) (a), to the department on a form provided by the department on or before the applicable

1 renewal date specified under s. 440.08 (2) (a), ~~and except~~. Except as provided in par.  
2 pars. (b) and (c) and sub. (7) (b), ~~a registrant that wishes to renew its registration the~~  
3 ~~renewal application~~ shall ~~submit to the department, on forms furnished by the~~  
4 ~~department, a renewal application, together with an updated~~ be accompanied by a  
5 financial statement described, as that term is used in sub. (2) (f) <sup>10</sup> ~~and the renewal fee~~  
6 ~~determined by the department under s. 440.03 (9) (a).~~ A renewal of registration is  
7 ~~valid for one year after the date of renewal,~~ <sup>10</sup> updated to reflect the current financial  
8 condition of the registrant. *score comma + space*

History: 2007 a. 189; 2009 a. 29.

9 **SECTION 6.** 461.02 (4) (c) of the statutes is created to read:

10 461.02 (4) (c) A professional employer organization or professional employer  
11 group applying to renew a registration issued under sub. (5) is not required to submit  
12 a financial statement under this subsection.

13 **Insert 4-6 B**

14 **SECTION 7.** 461.04 (4) (title) of the statutes is amended to read:

15 461.04 (4) (title) TAX CREDITS AND OTHER ECONOMIC DEVELOPMENT INCENTIVES;

16 TAXES, ASSESSMENTS, EXPENDITURES AND BENEFITS. <sup>3</sup>

History: 2007 a. 189; 2009 a. 29.

**2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4033/P2ins2  
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**Insert 4-4**

**SECTION 1.** 461.02 (6) of the statutes is amended to read:

461.02 (6) PROFESSIONAL EMPLOYER GROUP REGISTRATION. Except as provided in sub. (7) (b), 2 or more professional employer organizations that are part of a professional employer group may register under this section or renew a registration by providing the information required under sub. (2), (4), or (5) on a combined or consolidated basis, paying the initial credential or renewal fee determined by the department under s. 440.03 (9) (a), and guaranteeing each other's obligations. If a professional employer group provides a combined or consolidated financial statement under sub. (2) (f) 1. that includes the financial condition of entities that are not part of the professional employer group, the person controlling the professional employer group shall guarantee the obligations of the professional employer organizations in the professional employer group.

History: 2007 a. 189; 2009 a. 29.

**Insert 4-6A**

**SECTION 2.** 461.03 (1) of the statutes is amended to read:

461.03 (1) WORKING CAPITAL REQUIREMENT. Working capital, as defined by generally accepted accounting principals, of not less than \$100,000, as shown in the financial statement submitted to the department under s. 461.02 (2) (f) 1., (4), or (6). If a professional employer organization or professional employer group has less than \$100,000 in working capital, the department may issue a registration or renewal registration contingent on the registrant meeting the working capital requirement of this subsection no later than 180 days after the issuance of the registration or renewal registration. During the period of contingent registration, the registrant

1 shall submit quarterly financial statements to the department accompanied by an  
2 attestation by the chief executive officer of the registrant that all wages, salaries,  
3 employee benefits, worker's compensation insurance premiums, payroll taxes,  
4 unemployment insurance contributions, and other amounts that are payable to or  
5 with respect to an employee of the registrant performing services for a client were  
6 paid by the registrant when due.

History: 2007 a. 189.

7 **SECTION 3.** 461.03 (2) of the statutes is amended to read:

8 461.03 (2) ALTERNATIVE COMMITMENT. A bond, certificate of deposit, escrow  
9 account, or irrevocable letter of credit in an amount that is not less than \$100,000  
10 or, if the financial statement submitted to the department under s. 461.02 (2) (f) 1.,  
11 (4), or (6) indicates a deficit in working capital, a bond, certificate of deposit, escrow  
12 account, or irrevocable letter of credit in an amount that is not less than \$100,000  
13 plus an amount that is sufficient to cover that deficit. The commitment described in  
14 this subsection shall be in a form approved by the department, shall be held in a  
15 depository designated by the department, and shall secure the payment by the  
16 professional employer organization or professional employer group of any wages,  
17 salaries, employee benefits, worker's compensation insurance premiums, payroll  
18 taxes, unemployment insurance contributions, or other amounts that are payable to  
19 or with respect to an employee performing services for a client if the professional  
20 employer organization or professional employer group does not make those  
21 payments when due. The commitment shall be established in favor of or be made  
22 payable to the department, for the benefit of the state and any employee to whom or  
23 with respect to whom the professional employer organization or professional  
24 employer group does not make a payment described in this subsection when due. The

1 professional employer organization or professional employer group shall file with the  
2 department any agreement, instrument, or other document that is necessary to  
3 enforce the commitment against the professional employer organization or  
4 professional employer group, or against any relevant 3rd party, or both.

**History:** 2007 a. 189.



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-4033/02  
TKK:bjk:md

RMNR

stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 1/26/2010

No changes

regen.

1 AN ACT *to renumber* 461.02 (9) (a) to (d); *to renumber and amend* 461.02 (2)  
2 (f), 461.02 (9) (intro.) (except 461.02 (9) (title)) and 461.04 (4); *to amend* 440.08  
3 (2) (a) (intro.), 461.01 (5), 461.02 (2) (intro.), 461.02 (4) (a), 461.02 (5) (title),  
4 461.02 (5) (a) to (d), 461.02 (6), 461.03 (1), 461.03 (2) and 461.04 (4) (title); and  
5 *to create* 461.02 (2) (f) 2., 461.02 (4) (c), 461.04 (4) (a), 461.04 (4) (c) and 461.10  
6 of the statutes; **relating to:** professional employer organizations.

***Analysis by the Legislative Reference Bureau***

Under current law, a professional employer organization (PEO) or professional employer group (PEG) must apply for and obtain registration with the Department of Regulation and Licensing (department) prior to providing professional employer services in this state. This bill makes a number of changes to the law governing PEOs and PEGs.

***Change to definition of PEO***

Current law defines a PEO to mean a person engaged in the business of entering into written contracts for the provision of the nontemporary, ongoing employee workforce of a client and that under the contract has the obligation to pay the employees providing services for the client. A PEG is defined to mean two or more PEOs controlled by the same person. Current law defines a temporary help agency as an employer who places its employee with or leases its employees to another employer who controls the employee's work activities and compensates the first



employer for the employee's services, regardless of the duration of the services. Current law defines a temporary help company as an entity that contracts with a client to supply individuals to perform services for the client on a temporary basis to support or supplement the workforce of the client in situations such as personnel absences, temporary personnel shortages, and workload changes resulting from seasonal demands or special assignments or projects, and that hires and terminates the employment of, sets the rate of pay of, and pays the individuals.

This bill modifies the definition of PEO to explicitly exclude from the definition both a temporary help agency and a temporary help company.

***PEO and PEG small operations registration***

Currently, a PEO or PEG that has no more than 50 employees performing services for clients in Wisconsin and that is registered or licensed in another state, domiciled in another state, and does not maintain an office in Wisconsin or directly solicit clients that are located or domiciled in Wisconsin may apply for limited registration. This bill changes the ~~the~~ name of such registration from limited to small operations.

Currently, an application for PEO or PEG registration or the renewal of registration must be accompanied by a financial statement that sets forth the financial condition of the applicant. This bill exempts a PEO or PEG seeking small operations registration or the renewal of small operations registration from the requirement to provide a financial statement to the department.

***Treatment of tax credits and economic development incentives for providing employment and payment of taxes, assessments, expenditures, and benefits of employees***

Current law provides that, in the event a client of a PEO or PEG is entitled to obtain tax credits or other economic development incentives from the state as a result of that client providing employment, the employees of a PEO or PEG who are providing services for that client are to be considered the employees of the client for purposes of determining the value of such tax credits or economic development incentives. This bill provides that the employees of a PEO or PEG who are providing services for the client will also be considered the employees of the client for the purposes of determining the value of any tax credits or economic development incentives that may be provided by a local governmental unit to a client who provides employment. The bill defines a local governmental unit as a political subdivision of or special purpose district in this state, ~~an instrumentality or corporation of such a political subdivision or special purpose district,~~ a combination or subunit of a political subdivision, special purpose district, instrumentality, or corporation, or an instrumentality of the state and any of the foregoing.

The bill also requires that any taxes, assessments, expenditures, or benefits required by the state or a local governmental unit to be paid by an employer on a per employee basis is to be paid by the client of the PEO or PEG if the employee is performing services for that client, or by the PEO or PEG if the employee is not assigned to or providing services for a client. If a PEO or PEG pays any benefits or monetary consideration to its employees and the benefits or monetary consideration satisfy the requirements imposed by the state or local government unit, the amount

of the benefits or monetary consideration are to be applied to any obligations required to be paid by, assessed against, or charged to a client.

***Database of registrants***

Currently, the department must maintain a list of registered PEOs and PEGs. This bill provides that the department must periodically update the list and make the list available on the department's Internet Web site, and that the list must include the address of each registrant.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 440.08 (2) (a) (intro.) of the statutes is amended to read:

2           440.08 (2) (a) (intro.) Except as provided in par. (b) and in ss. 440.51, 442.04,  
3           444.03, 444.11, 448.065, 447.04 (2) (c) 2., 449.17 (1m) (d), and 449.18 (2) (d), ~~and~~  
4           ~~461.02 (3) (a) and (b) and (4)~~, the renewal dates for credentials are as follows:

5           **SECTION 2.** 461.01 (5) of the statutes is amended to read:

6           461.01 (5) "Professional employer organization" means a person that is  
7           engaged in the business of entering into written contracts for the provision of the  
8           nontemporary, ongoing employee workforce of a client and providing services under  
9           those contracts and that under those contracts has the obligation to pay the  
10          employees providing services for those clients from its own accounts, regardless of  
11          whether the person uses the term "professional employer organization," "PEO,"  
12          "staff leasing company," "registered staff leasing company," "employee leasing  
13          company," or "administrative employer," or uses any other name, as part of the  
14          person's business name or to describe the person's business. "Professional employer  
15          organization" does not mean a temporary help agency, as defined in s. 102.01 (2) (f),  
16          or a temporary help company, as defined in s. 108.02 (24m).

17          **SECTION 3.** 461.02 (2) (intro.) of the statutes, as affected by 2009 Wisconsin Act  
18          29, is amended to read:

1           461.02 (2) (intro.) Except as provided in sub. (7) (b), an applicant for  
2 registration under this section shall submit to the department an application for  
3 registration on a form prescribed by the department, together with the registration  
4 fee determined by the department under s. 440.03 (9) (a), ~~that contains~~ and all of the  
5 following information:

6           **SECTION 4.** 461.02 (2) (f) of the statutes is renumbered 461.02 (2) (f) 1. and  
7 amended to read:

8           461.02 (2) (f) 1. ~~A~~ Except as provided under subd. 2., a financial statement that  
9 sets forth the financial condition of the applicant as of a date that is not more than  
10 13 months preceding the date of the application, that is prepared in accordance with  
11 generally accepted accounting principles, and that has been audited by an  
12 independent certified public accountant. The financial statement shall be without  
13 qualification as to the going concern status of the applicant. A professional employer  
14 group may meet the requirements of this ~~paragraph~~ subdivision by submitting a  
15 combined or consolidated audited financial statement. An applicant that does not  
16 have sufficient operating history to have an audited financial statement that is based  
17 on at least 12 months of operating history may meet the requirements of this  
18 ~~paragraph~~ subdivision by submitting financial statements that have been reviewed  
19 by an independent certified public accountant.

20           **SECTION 5.** 461.02 (2) (f) 2. of the statutes is created to read:

21           461.02 (2) (f) 2. Subdivision 1. does not apply to a professional employer  
22 organization or professional employer group applying for registration under sub. (5).

23           **SECTION 6.** 461.02 (4) (a) of the statutes, as affected by 2009 Wisconsin Act 29,  
24 is amended to read:

1       461.02 (4) (a) On Renewal applications shall be submitted, together with the  
2       applicable renewal fee determined by the department under s. 440.03 (9) (a), to the  
3       department on a form provided by the department on or before the applicable  
4       renewal date specified under s. 440.08 (2) (a), ~~and except, Except~~ as provided in ~~par-~~  
5       pars. (b) and (c) and sub. (7) (b), -a registrant that wishes to renew its registration  
6       the renewal application shall submit to the department, on forms furnished by the  
7       department, ~~a renewal application, together with an updated~~ be accompanied by a  
8       financial statement described, as that term is used in sub. (2) (f) and the renewal fee  
9       determined by the department under s. 440.03 (9) (a). ~~A renewal of registration is~~  
10      ~~valid for one year after the date of renewal 1., updated to reflect the current financial~~  
11      condition of the registrant.

12       **SECTION 7.** 461.02 (4) (c) of the statutes is created to read:

13       461.02 (4) (c) A professional employer organization or professional employer  
14      group applying to renew a registration issued under sub. (5) is not required to submit  
15      a financial statement under this subsection.

16       **SECTION 8.** 461.02 (5) (title) of the statutes is amended to read:

17       461.02 (5) (title) **LIMITED SMALL OPERATIONS REGISTRATION.**

18       **SECTION 9.** 461.02 (5) (a) to (d) of the statutes, as affected by 2009 Wisconsin  
19      Act 29, are amended to read:

20       461.02 (5) (a) Except as provided in sub. (7) (b), a professional employer  
21      organization or professional employer group that is domiciled outside this state, that  
22      is registered or licensed as a professional employer organization or professional  
23      employer group in another state, that does not maintain an office in this state or  
24      directly solicit clients that are located or domiciled in this state, and that has no more  
25      than 50 employees performing services for clients in this state on any given day may

1 apply for ~~limited~~ small operations registration under this section by filing with the  
2 department a ~~limited~~ small operations registration form prescribed by the  
3 department and paying the initial credential fee determined by the department  
4 under s. 440.03 (9) (a). An applicant that is seeking ~~limited~~ small operations  
5 registration shall, in addition to the information ~~provided~~ required under sub. (2) (a)  
6 to (e), provide the department with information and documentation showing that the  
7 applicant meets the qualifications specified in this paragraph for ~~limited~~ small  
8 operations registration.

9 (b) Except as provided in sub. (7) (b), a professional employer organization or  
10 professional employer group seeking ~~limited~~ small operations registration that has  
11 employees performing services for clients in this state on July 1, 2009, shall register  
12 with the department as provided in sub. (3) (a), ~~and the initial limited registration~~  
13 ~~shall be valid as provided in sub. (3) (a).~~

14 (c) Except as provided in sub. (7) (b), a professional employer organization or  
15 professional employer group seeking ~~limited~~ small operations registration that does  
16 not have employees performing services for clients in this state on July 1, 2009, shall  
17 register with the department as provided in sub. (3) (b), before contracting with a  
18 client in this state, ~~and the initial limited registration shall be valid as provided in~~  
19 ~~sub. (3) (b).~~

20 (d) Except as provided in sub. (7) (b), a professional employer organization or  
21 professional employer group registered under this subsection that wishes to renew  
22 its ~~limited~~ small operations registration shall, in addition to complying with sub. (4),  
23 provide the department with information and documentation showing that the  
24 professional employer organization or professional employer group continues to

1 meet the qualifications specified in par. (a) for ~~limited small operations~~ registration,  
2 ~~and the limited registration shall be valid as provided in sub. (4).~~

3 **SECTION 10.** 461.02 (6) of the statutes, as affected by 2009 Wisconsin Act 29,  
4 is amended to read:

5 461.02 (6) PROFESSIONAL EMPLOYER GROUP REGISTRATION. Except as provided in  
6 sub. (7) (b), 2 or more professional employer organizations that are part of a  
7 professional employer group may register under this section or renew a registration  
8 by providing the information required under sub. (2), (4), or (5) on a combined or  
9 consolidated basis, paying the initial credential or renewal fee determined by the  
10 department under s. 440.03 (9) (a), and guaranteeing each other's obligations. If a  
11 professional employer group provides a combined or consolidated financial  
12 statement under sub. (2) (f) 1. that includes the financial condition of entities that  
13 are not part of the professional employer group, the person controlling the  
14 professional employer group shall guarantee the obligations of the professional  
15 employer organizations in the professional employer group.

16 **SECTION 11.** 461.02 (9) (intro.) (except 461.02 (9) (title)) of the statutes is  
17 renumbered 461.02 (9) (am) and amended to read:

18 461.02 (9) (am) The department shall maintain and periodically update a list  
19 of all professional employer organizations and professional employer groups  
20 registered under this section. All, and shall make the list available on the  
21 department's Internet Web site. The list shall include the address of each registrant.

22 (bm) Except as provided in par. (am), all records maintained by the department  
23 that contain any information obtained from an applicant or registrant are  
24 confidential and not open to public inspection or copying under s. 19.35 (1) unless one  
25 of the following applies:

**SECTION 12.** 461.02 (9) (a) to (d) of the statutes are renumbered 461.02 (9) (bm)

1. to 4.

**SECTION 13.** 461.03 (1) of the statutes is amended to read:

**461.03 (1) WORKING CAPITAL REQUIREMENT.** Working capital, as defined by generally accepted accounting principals, of not less than \$100,000, as shown in the financial statement submitted to the department under s. 461.02 (2) (f) 1, (4), or (6). If a professional employer organization or professional employer group has less than \$100,000 in working capital, the department may issue a registration or renewal registration contingent on the registrant meeting the working capital requirement of this subsection no later than 180 days after the issuance of the registration or renewal registration. During the period of contingent registration, the registrant shall submit quarterly financial statements to the department accompanied by an attestation by the chief executive officer of the registrant that all wages, salaries, employee benefits, worker's compensation insurance premiums, payroll taxes, unemployment insurance contributions, and other amounts that are payable to or with respect to an employee of the registrant performing services for a client were paid by the registrant when due.

**SECTION 14.** 461.03 (2) of the statutes is amended to read:

**461.03 (2) ALTERNATIVE COMMITMENT.** A bond, certificate of deposit, escrow account, or irrevocable letter of credit in an amount that is not less than \$100,000 or, if the financial statement submitted to the department under s. 461.02 (2) (f) 1, (4), or (6) indicates a deficit in working capital, a bond, certificate of deposit, escrow account, or irrevocable letter of credit in an amount that is not less than \$100,000 plus an amount that is sufficient to cover that deficit. The commitment described in this subsection shall be in a form approved by the department, shall be held in a

1 depository designated by the department, and shall secure the payment by the  
2 professional employer organization or professional employer group of any wages,  
3 salaries, employee benefits, worker's compensation insurance premiums, payroll  
4 taxes, unemployment insurance contributions, or other amounts that are payable to  
5 or with respect to an employee performing services for a client if the professional  
6 employer organization or professional employer group does not make those  
7 payments when due. The commitment shall be established in favor of or be made  
8 payable to the department, for the benefit of the state and any employee to whom or  
9 with respect to whom the professional employer organization or professional  
10 employer group does not make a payment described in this subsection when due. The  
11 professional employer organization or professional employer group shall file with the  
12 department any agreement, instrument, or other document that is necessary to  
13 enforce the commitment against the professional employer organization or  
14 professional employer group, or against any relevant 3rd party, or both.

15 **SECTION 15.** 461.04 (4) (title) of the statutes is amended to read:

16 461.04 (4) (title) TAX CREDITS AND OTHER ECONOMIC DEVELOPMENT INCENTIVES;  
17 TAXES, ASSESSMENTS, EXPENDITURES, AND BENEFITS.

18 **SECTION 16.** 461.04 (4) of the statutes is renumbered 461.04 (4) (b) and  
19 amended to read:

20 461.04 (4) (b) For purposes of determining tax credits, other economic  
21 development incentives provided by the state or a local governmental unit that are  
22 based on providing employment, or any other benefits that arises arise out of the  
23 employment of an employee of a professional employer organization or professional  
24 employer group who is performing services for a client, such an employee is  
25 considered to be an employee solely of the client, and the client is entitled to the



1 benefit of the tax credit, economic development incentive, or other benefit. If the  
2 amount of a tax credit, incentive, or benefit described in this ~~subsection~~ paragraph  
3 is based on the number of employees employed by a client, only those employees of  
4 a professional employer organization or professional employer group who are  
5 performing services for the client shall be treated as employees employed by the  
6 client, and employees of the professional employer organization or professional  
7 employer group who are performing services for the professional employer  
8 organization or professional employer group or for another client shall not be treated  
9 as employees employed by the client. On request of a client that is seeking a tax  
10 credit, incentive, or other benefit described in this ~~subsection~~ paragraph or on  
11 request of an agency of this state or local governmental unit that is responsible for  
12 administering such a tax credit, incentive, or benefit, a professional employer  
13 organization or professional employer group shall provide any employment  
14 information requested and reasonably required by the agency or local governmental  
15 unit that is necessary to support a claim, application, or other action by the client.

16 **SECTION 17.** 461.04 (4) (a) of the statutes is created to read:

17 461.04 (4) (a) In this subsection, "local governmental unit" has the meaning  
18 given in s. 19.42 (7u).

19 **SECTION 18.** 461.04 (4) (c) of the statutes is created to read:

20 461.04 (4) (c) Taxes, assessments, expenditures, or benefits required by the  
21 state or a local governmental unit to be paid by an employer on a per employee basis  
22 shall be paid by, assessed against, or charged to a client if the employee is providing  
23 services for that client or by a professional employer organization or professional  
24 employer group if the employee is providing services to the professional employer  
25 organization or professional employer group and not assigned to or providing

1 services for a specific client. Benefits or monetary consideration provided or paid to  
2 an employee by a professional employer organization or professional employer group  
3 shall be credited against the obligations required to be paid by, assessed against, or  
4 charged to the client if the benefits or monetary consideration provided or paid to the  
5 employee satisfy the requirements imposed by the state or local governmental unit.

6 **SECTION 19.** 461.10 of the statutes is created to read:

7 **461.10 Short title.** This chapter shall be known as the "Wisconsin  
8 Professional Employer Organizations Act."

9 (END)

**Duerst, Christina**

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**From:** Tierney, Michael  
**Sent:** Wednesday, January 27, 2010 11:04 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 09-4033/1 Topic: Changes to regulations governing professional employer organizations

Please Jacket LRB 09-4033/1 for the SENATE.